

FALLS CHURCH CITY-BUSINESS LICENSE INSTRUCTIONS & CATEGORY RATES

PROCEDURES FOR OBTAINING A BUSINESS LICENSE:

Every person liable for the payment of a business license tax under the provisions of the Falls Church City Code (Chapter 18) shall complete an application in writing to: **The Office of the Commissioner of the Revenue, 300 Park Avenue, Suite #104E, Falls Church, VA 22046-3301 or by fax (703) 248-5212** within **30 days** of opening a business in the City of Falls Church. If you're not sure if your business is located within the Falls Church City limits, **or** if it's in nearby Fairfax County, please call (703) 248-5018 and we can quickly determine where you should apply. Our e-mail address is: **commissioner@fallschurchva.gov**. You can pick up a **business license application form** in person, or request one by fax or mail. You can download a business license application from the City's website at: **www.fallschurchva.gov**, then click on "Forms, Permits, Applications" under the "Online Services" heading.

You must **first** apply for an **Occupancy Permit** from the City of Falls Church's **Department of Development Services** for **all** commercial **and** residential businesses operating in Falls Church City. Their **phone number is (703) 248-5080** and their fax number is (703) 248-5214. They're located on the **third floor** of the **West Wing of City Hall**, 300 Park Avenue, Falls Church, VA 22046-3301.

***FOR NEW BUSINESSES – YOU MUST ESTIMATE YOUR BUSINESS LICENSE GROSS RECEIPTS TAXES FOR THE PARTIAL YEAR IN WHICH YOU OPENED, AND THEN AGAIN FOR YOUR FIRST, FULL CALENDAR YEAR**

For **new** businesses, we will need a **partial-year estimate** of what you estimate your business' gross receipts will be from the time that you open your business until December 31st of that year. We realize this can be difficult, but a starting point must be established based on the size and location of the business, experience of similar businesses and other relevant factors. **The Business License Auditor approves this estimate.** When you renew your business license in the following year, we will compare your estimate to your actual gross receipts, and you might be given a credit if your estimate was too high, or you might be billed for the difference if your estimate was too low. We will then need your **first full-calendar year estimate.** When you renew your business license following that year, we will compare your 12 month estimate to your actual gross receipts for 12 months. You may be given a credit if your estimate was too high, or you might be billed for the difference if your estimate was too low. **Every year after that you only pay on your prior year's actual gross receipts.** *You will not pay **Tangible Personal Property Taxes**, which are taxes on the value of your business equipment, in your **first, partial year**, but you must file an **itemized Tangible Personal Property Return every year after that first year, and do so by May 1st**, and you need to pay the **Tangible Personal Property Tax by the October 5th deadline.**

IMPORTANT: Failure to pay business license taxes carries criminal penalties!

FALLS CHURCH CITY BUSINESS LICENSE TAXES AND FEES

TOTAL GROSS RECEIPTS INCLUDES RECEIPTS FROM ALL SOURCES SUBJECT TO THIS TAX

Total Gross Receipts of <u>\$10,000 or less</u>	No payment required , but you must apply/renew for a business license stating your actual gross receipts every year .	
Total Gross Receipts of <u>\$10,001 - \$50,000</u>	\$30.00 flat rate applies. The \$30 fee is not refundable.	
Total Gross Receipts of <u>\$50,001 or more</u> is taxed at the following rates: (Don't break out the first \$50,000 and multiply separately) Multiply the total gross receipts category dollar amount times your category rate to determine your total business license tax.		
Category Number	Category Descriptions	
Category Rate (multiply times your gross receipts, before costs)		
120301	Contractors	\$0.0016 times your gross receipts amount
120302	Retail Merchants	\$0.0019 times your gross receipts amount (*always use the Falls Church City FIPS code # 51610 on the VA Sales Tax ST-9 form)
120303	Professional Occupations	\$0.0052 times your gross receipts amount
120304	Service Occupations & Commission Merchants	\$0.0036 times your gross receipts amount
120305	Wholesale Merchants (who take title)	\$0.0008 times your gross receipts amount
120307C	Renting by Owner-Commercial	\$0.0053 times your gross receipts amount
120307R	Renting by Owner-Residential	\$0.0038 times your gross receipts amount
120308	Public Utilities	1/2 of 1% of gross receipts for gas, telephone & electricity
120309	Specialized Occupations	\$0.0036 times your gross receipts amount
120306	Alcoholic Beverage Fees	Beer " On " site sales: flat rate \$75.00 Beer " Off " sales: rate \$50.00 Mixed Alcoholic Beverages: Restaurant seating up to 100 people \$200.00 flat rate Restaurant seating up to 101-150 people \$350.00 flat rate Restaurant seating of 151 or more people \$500.00 flat rate Each banquet \$5.00 flat rate Caterer \$200.00 flat rate
120399 – Amusement Arcade Operator		In addition to the gross receipts tax, there is a flat fee for: The operation of 1-2 arcade machines \$50.00 The operation of 3-9 arcade machines \$100.00 The operation of 10 or more arcade machines \$200.00
120399 - Other		For additional information about rates, and any questions about calculating business license fees call: (703) 248-5190 or E-mail us at: commissioner@fallschurchva.gov

All business licenses expire on December 31 of each year. Business owners are given a two-month grace period (during January & February) to close your books for the year and renew your license by March 1. Businesses that don't have their business license paid by March 1st, will be operating without a license.